

Sec. 20.112. - Historically valuable, architecturally valuable, or architecturally compatible structures.

- (a) *Establishment of Historic Tax Credit Program for Qualified Expenses.* In accordance with section 9-204 of the Tax-Property Article, Annotated Code of Maryland, there is a Howard County Property Tax Credit in the amount of 25 percent of the qualified expenses used for the restoration and preservation of an eligible historic property.
- (b) *Definitions.* In this section the following terms have the meanings indicated:
- (1) *Certificate of eligibility* means the order issued by the Commission to the owner of an eligible property, which authorizes the Department of Finance to apply a historic tax credit to the eligible property.
 - (2) *Commission* means the Historic Preservation Commission created under sections 6.324 and 16.604 of the County Code.
 - (3) *Eligible property* means:
 - (i) A structure that is listed on the Howard County Historic Sites Survey and is designated by the Commission as historically significant;
 - (ii) A structure eligible for inclusion in the Howard County Historic Sites Survey, which is added to the survey prior to the final approval of a certificate of eligibility;
 - (iii) An existing principal structure or historic outbuilding located within a local historic district in Howard County, which is determined by the Commission to be of historic or architectural significance, or to be architecturally compatible with the historic structures in the district; or
 - (iv) A cemetery, at least 50 years old, not operated as a business, which is listed on the Howard County Cemetery Inventory under section 16.1303 of the County Code.
 - (4) *Eligible work* means:
 - (i) Work done on an eligible property:
 - a. In compliance with the rules adopted by the Commission under subsection 16.606(e) of the County Code;
 - b. After the owner receives initial approval of an application for a certificate of eligibility; and
 - c. In conformity with the application for which initial approval was given.
 - (ii) *Eligible work* includes:
 - a. The repair or replacement of exterior features of the structure;
 - b. Work that is necessary to maintain the physical integrity of the structure with regard to safety, durability, or weatherproofing;
 - c. Maintenance of the exterior of the structure, including routine maintenance as defined in section 16.601 of the County Code; and
 - d. Repair or maintenance of existing gravestones, walls, fencing, or other site features of an eligible property that is a historic cemetery.
 - (iii) *Eligible work* does not include:
 - a. New construction;
 - b. Interior finish work that is not necessary to maintain the structural integrity of the building; or
 - c. Landscape maintenance or new landscape plantings.
 - (5) *Qualified expenses*:

- (i) The amount of money paid by the owner of an eligible property to a licensed contractor, architect, or historic preservation consultant for eligible work, or for materials used to do eligible work.
 - (ii) In order to be eligible for a tax credit under this section, qualified expenses must be \$500.00 or greater.
- (6) *Routine maintenance.* Work that qualifies as routine maintenance under section 16.601 of the County Code.
- (c) *Procedures:*
 - (1) The owner of an eligible property may apply to the Commission for a historic tax credit for qualified expenses. The application shall be in the form and accompanied by additional information that the Commission, by rule, requires.
 - (2) The Commission shall give initial approval of a certificate of eligibility:
 - (i) If it determines the property to be an eligible property;
 - (ii) If it determines that the proposed work is eligible work; and
 - (iii) If the eligible property is within a historic district, any required certificate of approval under section 16.603 of the County Code has been issued for the work.
 - (3) Upon completion of the work, the owner shall submit to the Commission documentation that the work was done in accordance with the initial approval of the certificate of eligibility and shall document all qualified expenses.
 - (4) The Commission shall review the application, the initial approval, and the documentation.
 - (5) At a public hearing, the Commission shall give final approval of the certificate of eligibility and shall determine:
 - (i) What work is eligible work; and
 - (ii) The dollar amount of qualified expenses for the work.
 - (6) The dollar amount of qualified expenses and the amount of the tax credit shall be entered on the certificate of eligibility.
 - (7) An owner who is denied all or part of a tax credit by the Commission may appeal the denial to the Circuit Court of Howard County.
 - (8) After final approval by the Commission, the Commission shall forward the certificate of eligibility to the Department of Finance.
 - (9)
 - (i) The Department of Finance shall grant the tax credit for the tax year immediately following the year in which the certificate of eligibility is received by the Department.
 - (ii) If the amount of the tax credit under this section exceeds the amount of the Howard County Real Property Tax, any unused portion of the tax credit may be applied to any property tax on the structure for up to five subsequent tax years.
- (d) *Certificate Runs with Property.* A certificate of eligibility runs with the property, and change in ownership does not result in the lapse of a tax credit granted under this section.
- (e) *Applicability outside Historic District:*
 - (1) For property not located in an official local historic district, the certificate of eligibility establishes tax credit eligibility.
 - (2) Work not done in accordance with initial approval of a certificate of eligibility does not qualify for a historic tax credit, but otherwise is not subject to subsection 16.606(a) of the County Code regarding commission approval or section 16.610 of the County Code regarding enforcement.

(C.B. 38, 1998; C.B. 71, 2003, § 1; C.B. 7, 2013, § 1; C.B. 36, 2013, § 1; C.B. 11, 2014, § 3)

State law reference— Tax credit for historically valuable, architecturally valuable, or architecturally compatible structures, Ann. Code of Md., Tax-Property article, § 9-204.

Sec. 20.113. - Restorations and rehabilitations of historic or heritage properties.

- (a) *Establishment of Historic Tax Credit Program for Increase in Assessed Value.* In accordance with § 9-204.1 of the Tax-Property Article, Annotated Code of Maryland, there is a Howard County Property Tax Credit in an amount equal to the difference between:
- (1) The Howard County Real Property Tax that, but for the tax credit, would be payable on the assessed value of an eligible historic property after the completion of eligible work; and
 - (2) The Howard County Real Property Tax that would be payable on the assessed value of the property if the eligible work was not done.
- (b) *Definitions.* In this section the following terms have the meanings indicated:
- (1) *Certificate of eligibility* means the document issued by the Commission under section 20.112 of the County Code to the owner of an eligible property, which authorizes the Department of Finance to apply a historic tax credit to the eligible property.
 - (2) *Commission* means the Historic Preservation Commission created under section 6.324 of the County Code.
 - (3) *Eligible property* has the meaning stated in subsection 20.112(b)(3) of the County Code.
 - (4) *Eligible work* has the meaning stated in subsection 20.112(b)(4) of the County Code, except that routine maintenance, as defined under section 16.601 of the County Code, is not eligible work under this section.
 - (5) *Qualified expenses:*
 - (i) The amount of money paid by the owner of an eligible property to a licensed contractor for eligible work, or for materials used to do eligible work.
 - (ii) In order to be eligible for a tax credit under this section, qualified expenses must be \$5,000.00 or greater.
- (c) *Procedures:*
- (1) The owner of an eligible property may apply for a certificate of eligibility under this section by complying with the procedures under subsections 20.112(c)(2) through (6) of this subtitle.
 - (2) The owner of an eligible property may apply to the Department of Finance for a tax credit under this section if:
 - (i) A certificate of eligibility meeting the requirements of this section, for work done on the property, has been given final approval by the Commission; and
 - (ii) The assessed value of the property has increased after a valuation or revaluation under § 8-104 of the Tax-Property Article of the Annotated Code of Maryland.
 - (3) The application shall be on a form that the Commission, by rule, requires, and shall be accompanied by the certificate of eligibility.
 - (4) Upon receipt of an application under this subsection, the Department of Finance shall forward a copy of the certificate of eligibility to the State Department of Assessments and Taxation, who shall determine what portion, if any, of the increase in assessment is due to the eligible work.
 - (5) After the determination by the Department of Assessments and Taxation, the Department of Finance shall grant the Howard County Real Property Tax Credit under this section, beginning with the first tax year in which the real property tax would increase as a result of the assessment.
 - (6)
 - (i) A tax credit under this section is granted annually for a term of ten years, provided that no eligible work is altered without the prior approval of the Commission.
 - (ii) If eligible work is altered without the prior approval of the Commission:

- a. The Department of Planning and Zoning shall notify the Department of Finance; and
 - b. The tax credit under this section shall lapse beginning with the tax year immediately following the year in which notification is received by the Department of Finance.
 - (d) *Lapse of Credit Due to Damage to Property:*
 - (1) A tax credit granted under this section shall lapse if any eligible work is damaged due to fire, weather or other natural causes.
 - (2) The owner of the property may, as approved by the Commission, repair the damage and apply for a tax credit under this section.
 - (e) *Applicability Outside Historic District:*
 - (1) For property not located in an official local historic district, the certificate of eligibility establishes tax credit eligibility.
 - (2) Work not done in accordance with initial approval of a certificate of eligibility does not qualify for a historic tax credit, but otherwise is not subject to subsection 16.606(a) of the Code regarding commission approval or section 16.610 regarding enforcement.
- (C.B. 38, 1998; C.B. 71, 2003; C.B. 11, 2014, § 3)

State law reference— Tax credit for restorations and rehabilitations of historic or heritage properties, Ann. Code of Md., Tax-Property article, § 9-204.1.